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## Subsidy of Rutland's commuter air service faces budget cuts

Efforts to retain a federal subsidy that keeps Rutland's commuter air service in business are facing a tougher than usual battle this year as pressure mounts on Congress to cut a ballooning budget deficit.

CommutAir receives a federal subsidy of up to \$849,705 a year under the Essential Air Service program to provide daily passenger service between Rutland and Boston.

But the Essential Air Service program is under attack with the Bush administration proposing to slash the fiscal 2007 EAS budget from its current \$110 million to the bare \$50 million required by law.

In Rutland's case, support for CommutAir would be eliminated based on new EAS qualifying criteria. Under the proposal, airports within 75 miles of a small hub airport would not qualify for a subsidy. Since Rutland is within 75 miles of Burlington International Airport, the subsidy would disappear and with it commuter air service.

Even with the subsidy, CommutAir, a partner of Continental Airlines, has struggled since taking over the Rutland service in the fall of 2003. Last year, 4,816 passengers flew the airline — the second worst year on record since 1994. The best year was 1998 when 8,746 passengers flew Colgan Air.

But Trudeau said the 9/11 terrorist attacks took a huge toll on the nation's airlines. Added to that has been the arrival of low-fare carriers JetBlue in Burlington and Southwest Airlines in Albany, N.Y.

And he said it's not just Rutland that's struggling.

"There are more airports coming into the EAS program because of the volatility in the airline industry right now," Trudeau said.

A case in point, he said, is Lebanon, N.H., which has gone from three airlines to just one airline and that airline, Colgan Air, receives an EAS subsidy. Colgan served Rutland for 10 years before being replaced by CommutAir.

Bill Mosley, a spokesman for the Department of Transportation, said the administration's proposal seeks "to try to tailor air service to communities and direct resources where they're needed most."

Communities that are 210 highway miles from a large or medium hub airport would be required to pay a 10 percent local match to receive a subsidy.

Mosley said Rutland would be eligible for a ground subsidy that would provide bus service between Rutland and the Burlington airport. He said the subsidy would require a 50 percent local match.

Trudeau found it ironic that at the same time the local air service faces possible elimination later this year, a \$253,000 federal grant is funding a two-year marketing campaign to promote the air service.

"We got the EAS program that the president's folks want to scrap on one hand ... and on the other hand we have the Small Community Air Service Program and the marketing program under way and we're trying to put people into the seats," he said.

Mosley of the DOT cautioned that Congress has yet to act on the proposed EAS budget or eligibility criteria. He also said that the purpose behind the marketing grant is to make airlines self-sufficient.

"The idea behind the Small Community Program is so it supports air service so that it won't have to be eliminated," he said.

Part of that marketing money is being used for a two-for-one ticket promotion to fill seats on CommutAir. Buy one regularly priced round trip ticket for any flight in May or June and get another round-trip ticket on that same flight for free.

The promotion is valid for flights on from Rutland to Boston, and then on to White Plains, N.Y.; Islip, N.Y.; Allentown, Penn., or Scranton, Penn. The offer expires at the end of April.

A round trip ticket to Boston in May is priced at \$207.50, including taxes.

The goal of the EAS program is to build up an airline's passenger numbers to the point where the airline can get off the subsidy. But after 11 years, Rutland isn't close to weaning itself off the federal

program.

Trudeau conceded that Rutland faces stiff competition from Burlington and Albany. But he said there's more at stake than just the air service.

"It's an economic driver," he said, with many businesses relying on a reliable and convenient passenger air service.

"We would like to see high-tech industries and folks in niche businesses that do that kind of work settle here and they generally require the ability to get in and out of a community and air service is part of that," Trudeau said.

Like Trudeau, the head of the Rutland Region Chamber of Commerce, Tom Donahue, said there was more at stake than just the potential loss of passenger air service.

The elimination of the air service would likely have a domino effect, said Donahue, the chamber's executive vice president, resulting in the possible loss of the airport's repair and maintenance service, which in turn could lead to a loss of charter and corporate jet traffic.

"Without a passenger airline service, those things could potentially go away and add the ional traffic that we see from charters, private aircraft and jets especially could go with it," Donahue said. "So that subsidy has much larger ramifications than just whether Continental gets in and out of here every day."

Donahue said the fight over keeping the EAS subsidy rears its head every year or two and this year is no exception. He said the state's three-person congressional delegation has been successful in the past in retaining the funding for Rutland.

Diane Derby, a spokeswoman for Sen. James Jeffords, I-Vt., said that as in the past Jeffords would fight to retain the subsidy for Rutland.

Donahue meanwhile expressed confidence that the current \$253,000 marketing campaign will be successful.

"I do believe with the marketing we're doing currently, flyrutlandvermont.com and associated promotions, that it's really going to begin to put people in the seats of those planes and the numbers are going to go back up where they used to be," he said "So, to pull that now obviously would be a tragedy."

